



## Illinois Department of Corrections

### Administrative Directive

Number:

**02.45.101**

Title:

**Employee Benefit Funds - General Provisions**

Effective:

**12/1/2021**

**Authorized by:**

*[Original Authorized Copy on File]*

**Rob Jeffreys**  
Director

**Supersedes:**

02.45.101 effective 9/1/2019

**Authority:**

730 ILCS 5/3-2-2 and 3-4-3

**Related ACA Standards:**

5-ACI-1A-07, 10, 5-ACI-1B-01, 03, 07 – 11, 14

**Referenced Policies:**

02.44.110

**Referenced Forms:**

#### **I. POLICY**

The Department may establish Employee Benefit Funds.

#### **II. PROCEDURE**

##### **A. Purpose**

The purpose of this directive is to establish written guidelines for the establishment of Employee Benefit Funds.

##### **B. Applicability**

This directive is applicable to all correctional facilities, offices, programs and parole services within the Department.

##### **C. Facility Reviews**

A facility review of this directive shall be conducted at least annually.

##### **D. Fiscal Audits**

The Office of Internal Audits may conduct annual audits of the locally held funds and the accounting system used by the facilities.

##### **E. Designees**

Individuals specified in this directive may delegate stated responsibilities to another person or persons unless otherwise directed.

##### **F. Definitions**

Central Committee – For purposes of this directive, refers to the Central Employee Benefit Fund Committee.

Employee Benefit Fund – Funds used for the benefit of employees.

Local Committee – For purposes of this directive, refers to a local Employee Benefit Fund Committee.

##### **G. Requirements**

1. All Employee Benefit Fund monies shall be held locally in a bank account approved by the Chief Financial Officer.

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2. The Director shall appoint a Central Employee Benefit Fund Committee and have final approval over any determination made by same.
  - a. The Central Committee shall:
    - (1) Review the Employee Benefit Fund processes;
    - (2) Advise the local Employee Benefit Fund Committees and Chief Administrative Officers (CAO) on any issues and requests;
    - (3) Review general ledgers as necessary to provide guidance and recommendations to local Committees;
    - (4) Ensure consistency in the administration of the Employee Benefit Funds statewide; and
    - (5) Review any inconsistencies or disagreements between any local Committee and the respective CAO.
  - b. The Central Committee shall be comprised of:
    - (1) The Chief Financial Officer;
    - (2) Two CAOs;
    - (3) Two Business Administrators;
    - (4) Two central office fiscal or procurement staff; and
    - (5) Two employees covered by the RC-6 or RC-14 Bargaining Units.
  - c. Central Committee members shall:
    - (1) Be reviewed annually for appointment or reappointment.
    - (2) Elect a chairperson and secretary from the immediate membership, by a majority vote.
  - d. The Central Committee shall meet in person or by telephone once per month, or as often as necessary.
  - e. The Central Committee secretary shall record and keep minutes for each meeting, which shall be made available to each member of the Central Committee.
3. Each CAO shall appoint a local Committee and have final approval over any recommendation made by same.
  - a. Local Committees shall review and make determinations on any requests received at their respective facility for expenditures, transactions and any other activity from the Employee Benefit Fund.
  - b. Local Committees shall consist of at least five but not more than eight employees. The number of employees appointed to each Local Committee shall be determined by dividing the total number of Department employees at the respective facility by 100, and rounding the resulting number to the nearest whole number.

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**NOTE:** The CAO shall not be included as a member of the Local Committee.

- c. For Transitional Security facilities which have an Employee Benefit Fund, the local Committee shall consist of three employees.
  - d. Local Committee membership shall include:
    - (1) A facility Business Administrator;
    - (2) An employee from the Business Office, not including the Business Administrator; and
    - (3) One employee covered by the RC-6 Bargaining Unit, or the RC-14 Bargaining Unit for the General Office.
  - e. Local Committee members shall:
    - (1) Be reviewed annually for appointment or reappointment.
    - (2) Elect a chairperson and secretary from the immediate membership, by a majority vote.
  - f. Each local Committee shall meet in person once per month, or more often as necessary, to review and approve requests for expenditures by a majority vote.
  - g. Each local Committee secretary shall record and keep minutes for each meeting, which shall be made available to all local Committee members and posted on the employee bulletin board.
- 4. Training shall be required for all staff serving as members of the Central Committee or any local Committee.
  - 5. Staff shall spend no more than a maximum of 2% of compensated work time (approximately four hours per month) on Employee Benefit Fund activities, including fundraising. All members of each Committee, and any employees who participate in fundraising activities related to the Employee Benefit Funds, shall keep a log of time spent on Employee Benefit Fund activities.
  - 6. The Department shall establish and maintain a secure, centrally shared site to which documentation related to the Central Committee and local Committees shall be uploaded and stored.
    - a. The shared site shall be managed by the Chief Financial Officer.
    - b. Meeting minutes for the Central Committee and all local Committees shall be uploaded to the shared site by the respective Committee secretary.
    - c. All Committee members and any employees participating in fundraising activities for the Employee Benefit Funds shall upload the required time logs monthly to the shared site.
    - d. Each local Committee or facility staff shall upload the following documentation to the shared site at the beginning of each quarter, or upon request of the Central Committee:
      - (1) General ledgers;
      - (2) Reconciliations reports; and

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- (3) All supporting forms and documentation, including but not limited to:
    - (a) "Bid/Buy" requisition documents.
    - (b) Order for Delivery (OFD) forms.
    - (c) Basic Ordering Agreements (BOAs).
    - (d) Property control documents.
    - (e) W-9 forms and tax documents from vendors.
7. Primary sources of revenue for the Employee Benefit Funds shall normally be profits from vending machine sales to employees and disbursement of profits from the Employee Commissary Funds. Profits shall be accrued or disbursed to the Employee Benefit Funds in accordance with Administrative Directive 02.44.110.
8. Any additional sources of revenue shall be approved by the Central Committee.
9. Bank service charges for the Employee Benefit Funds shall be paid by the fund incurring the charge. Bank service charges may include, but not be limited to, check printing fees, monthly service charges, stop payment and overdraft charges assessed by the local financial institution.
10. The Employee Benefit Funds shall:
  - a. Neither profit nor benefit from individuals in custody or work of individuals in custody;
  - b. Only be used for purposes expressly permitted by applicable State of Illinois and Department laws, rules and policies; and
  - c. Not be used to correct payroll errors.
11. The following documentation shall be maintained and kept for each Fund for a minimum of five years:
  - a. Cash Receipts Journal;
  - b. Cash Disbursements Journal;
  - c. Imprest Fund Control Book, if applicable;
  - d. General Ledgers;
  - e. Committee meeting minutes;
  - f. Purchase requisitions;
  - g. Receiving reports;
  - h. Fixed Assets documentation;
  - i. Approved invoices; and
  - j. Bank reconciliations.

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12. All expenditures and transactions from Employee Benefit Funds shall be recorded in the Fund Accounting & Commissary Trading System.
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